



11 FISCAL/EQUIPMENT MANAGEMENT

Effective: 3/1/98

11.3 Budget Tracking

Revised: 1/1/01

POLICY: Local projects must review budget and actual expenditures periodically to ensure costs are allowable, reasonable and necessary.

PROCEDURE:

A. LOCAL PROJECT BUDGET TRACKING

1. The Project Director prepares the local WIC Budget at the beginning of each grant period and submits to the DPH Regional Office as requested. See Policy 11.2 Budget Planning.
2. At least quarterly, the Project Director reviews actual expenditures for appropriateness and concurrence with the project budget and makes revisions to the budget internally as necessary. This type of budget revision is not sent to the State WIC Office. See Policy 11.2.G Budget Flexibility.
3. If the actual expenditures show a significant shift from budgeted amounts, the Project Director should carefully analyze the reasons. The shift may have resulted from:
 - a) a change in the overall structure and operation of the WIC project (less staff-more travel, more staff-more rent, etc.)
 - b) an inadequately planned initial budget (new project with no prior expenditure history)
 - c) unexpected expenditures (equipment repair/replacement, higher fixed costs than anticipated, etc.)
 - d) over/under spending in anticipation of a grant adjustment
 - e) unallowable costs

B. EXPENDITURE REVIEW

The WIC Project Director is responsible for reviewing expenditures for allowability according to Department of Health and Family Services (DHFS) and WIC policies.

1. Review actual expenses that are reported monthly to the State for reimbursement. Compare the reported amounts on the DMT-855 Expenditure Report form against agency financial documents.
2. Questions to be asked are:



- a) Are the expenses actual costs? Only actual costs can be reimbursed. If not, the agency fiscal staff should be notified to correct this non-compliance with DHFS policies.
- b) Are the expenses allowable for the WIC Program? Are they reasonable and necessary for the efficient administration of the WIC Project? Review the Fiscal Chapter of the Operations Manual, Policy 11.1 Expenditure of Program Funds. If not, discuss with your agency fiscal staff how these expenses will be removed from the WIC budget and adjust future Expenditure Reports (DMT-855) to the State.
- c) Are expenses reported in the appropriate cost categories--client services, nutrition education, breastfeeding support, administration, other? If not, identify how the costs should be categorized and instruct agency fiscal staff on how to categorize expenses and report correctly.
- d) Is the rate of spending in proportion to the amount of time that has passed in the grant period (i.e., at the end of June, the sixth month, the project has spent approximately two-thirds of its grant)?
 - (1) If spending at a higher rate, forecast expenses to the end of the grant period. Will they be within the grant amount? Does the project expect a grant increase?
 - (2) If spending at a lower rate, is there a problem reporting expenditures in a timely manner? Will all expenditures for the grant period be reported by the March 31st closeout for WIC and the December 31st closeout for FMNP and other funding sources that end September 30th?

C. PERFORMANCE REVIEW

The DPH Regional Public Health Nutrition Consultant will use the WIC Program Monitoring Tool to conduct a biennial financial review. See Policy 10.12 Evaluation of Local Agencies.

D. BUDGET & EXPENDITURE TRACKING SPREADSHEET

A sample spreadsheet and instructions will be provided each year on the WIC website. The spreadsheet has multiple pages for tracking and summarizing monthly reported expenditures, comparing them against budgeted amounts, and forecasting annual expenditures.

ATTACHMENT

Sample page of Tracking Spreadsheet